



United States  
Department of  
Agriculture

Farmers  
Home  
Administration

FmHA AN No. 965 (1980)

Washington  
D.C.  
20250

January 25, 1984

SUBJECT: Economic Emergency (EE) Guaranteed Loan Making Policy

TO: All State Directors, Farmer Programs Chiefs,  
District Directors, County Supervisors,  
and Director, Finance Office

The rapid depletion of the insured EE funds apportioned to FmHA makes it imperative that we immediately and aggressively implement a guaranteed EE loan program.

The following actions will be taken to ensure proper implementation of the guaranteed EE loan program:

1. State Directors will meet immediately with key agricultural lenders within their jurisdiction and discuss the modification of FmHA Forms and the use of certain individual lender forms. Form FmHA 449-6, "Application for Guaranteed Loan (Farmer Programs)," must be completed, except for the section entitled, "Financial Statement as of Date of Application." This section may have the wording, "See attachment of borrower's financial statement to the lender," inserted. The applicant must sign Form FmHA 449-6 as required.

The lender must submit a cover memo with each guaranteed loan application to FmHA, describing the credit history and the farming operation, and verification of any off-farm employment or other non-farm income.

A preliminary application providing full financial information (Form 449-6) with the lender's cover memo providing the above required data, may be presented to FmHA for a determination of eligibility, feasibility, and availability of guaranteed loan funds before filing a complete application. The lender will also present the other information required by §1980.511 (a). In this manner, a lender will be promptly assured by FmHA that the applicant is eligible, the proposed loan is feasible, and funds are available.

EXPIRATION DATE: September 30, 1984

FILING INSTRUCTIONS: Preceding  
FmHA Instruction 1980-F



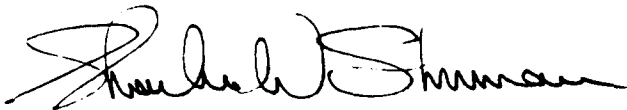
Farmers Home Administration is an Equal Opportunity Lender.  
Complaints of discrimination should be sent to:  
Secretary of Agriculture, Washington, D.C. 20250

965(1980)

A complete application will consist of all the information required in FmHA Instruction 1980-F, paragraph 1980.511 (c), except that completion of tables 18, 19, and 20 (items A through I) of Form FmHA 1980-25, "Request for Guarantee," may have the wording inserted, "See attachment of the Lender's Consolidated Financial Statement for Agriculture, or other comparable quality cash flow statement." Table 20, item J, "Balance Available for Debt Payment," must be completed. In those instances outlined above, the parentheses (G + H + I) may be deleted if the lender uses a comparable cash flow and the "Balance Available for Debt Payment," is clearly shown. Table 21 and all other tables of the form must be completed in their entirety. Form FmHA 1980-25 must be signed by the lender. A loan agreement between the applicant and the lender is required as outlined in FmHA Instruction 1980-F, paragraph 1980.511 (c) (5).

2. States must not submit obligating documents to the Finance Office in excess of their allocations without prior authorization from the National Office.

3. State Directors will monitor the policy set forth in this AN very closely to ensure that State, District and County personnel clearly understand it and administer the guaranteed EE program accordingly.



CHARLES W. SHUMAN  
Administrator

Sent via electronic mail on Jan. 25, 1984 at 5:23 p.m. by DASD(IMPS).  
This message should be promptly distributed to all County Supervisors and District Directors.